



REBUILD RURAL

#RebuildRural



HOUSING

Across the country, rural residents face the challenge of access to affordable, quality housing. Despite several public programs, many struggle to find affordable options, often requiring them to spend more than 30 percent of their income on housing.

From multifamily to single home programs and rental assistance, we need to invest in programs that support rural families and economies. Years of declining investment in the renovation of existing and construction of new housing in rural communities has yielded a housing deficit, impeding rural economic growth through a lack of available housing for workers and people looking to move to rural communities. From 2009 to 2017, average development of rural housing units fell to 68,000 per year, approximately a two-thirds reduction. Where affordable housing is available, it often is in poor condition. More than 5 percent, or 1.5 million, of homes considered either moderately or severely substandard are in rural areas. Units lacking hot and cold piped water or indoor plumbing disproportionately affect rural communities and Native American lands. Rural housing development also supports rural communities with new jobs and new tax revenue. The one-year impact of building 100 apartment units creates 161 local jobs, brings in \$11.7 million in local income and adds \$2.2 million in local taxes.

The U.S. Department of Agriculture's

(USDA) Section 502, 504, 515, 521 523, 533 and 538 programs all play a critical role in access to and affordability of rural housing, but, unfortunately, demand for these programs outpaces resources. These programs deserve attention and adequate funding. It's time to Rebuild Rural.

The Section 502 Single-Family Housing Direct Loan Program exclusively helps very low- and low-income rural families. It has helped over 2.1 million families with average incomes of \$28,275 to purchase homes. The Section 502 Guaranteed Loan Program helps private lenders work with low-and moderate-income families in rural areas. Rural residents living in Section 515 multifamily housing are low-income and extremely low-income families and seniors with incomes of about \$12,000. Unfortunately, no new Section 515 multifamily construction has happened in nearly a decade.

The Section 523 Mutual Self-Help Housing program enables nonprofits to supervise and train up to 12 low-income families as they build their own homes, earning "sweat equity." The Section 504 Loan and Grant and Section 533 Housing Preservation Grant programs help address housing rehabilitation needs for rural residents in single-family homes, particularly helping the elderly age in place.

Approximately 63 percent of rural rental households receive assistance from the Section 521 Rental Assistance (RA) program.

RA, like HUD's project-based Section 8 program, pays the difference between 30 percent of a resident's income and the basic rent required to operate the property. Yet the RA budget is much more limited than HUD's, and it may not cover increased rent subsidies caused by the economic fallout of the COVID-19 pandemic. And with an estimated 20-year need of \$5.6 billion to preserve USDA's existing rental housing stock, additional resources are required to support low-income rural renters.

Expanding and modernizing USDA's Section 538 Multifamily Loan Guarantee Program and expanding federal mortgage insurance rural risk-sharing programs to local governments and approved lenders would increase owners' access to credit. USDA's Rural Rental Housing Loan Programs could be improved by allowing owners to use cash to obtain small loans for renovations, directing USDA to guarantee equity loans, restarting the dormant Preservation Revolving Loan Fund program, and making changes to the Multifamily Preservation and Revitalization Program (MPR) for existing rural rental housing. The Rural Capacity Building Program at HUD and the Rural Community Development Initiative at USDA help small, rural housing nonprofits access much needed technical assistance.

Agriculture, a driving force of the economy, also relies on a steady supply of farmworkers. USDA's Farm Labor Housing Direct Loans and Grants enable many farms to attract the labor needed.

REBUILD RURAL COALITION

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